

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANA 00637 231053Z

14

ACTION IO-11

INFO OCT-01 NEA-10 ISO-00 ABF-01 OMB-01 TRSE-00 AID-05

EB-07 IGA-02 /038 W

----- 086599

R 230630Z FEB 76

FM AMEMBASSY SANA

TO SECSTATE WASHDC 7440

INFO USUN NEW YORK

LIMITED OFFICIAL USE SANA 0637

E.O. 11652: N/A

TAGS: UN, YE

SUBJECT: UNDP PROGRAMS IN YEMEN

REF: SANA 0338

SUMMARY: TO AVOID CUTBACKS IN PROGRAMS IN YEMEN, YARG
HAS OFFERED TO LOAN \$3 1/2 MILLION WITHOUT INTEREST
TO UNDP.

1. UNDP IN YEMEN UNDER VIGOROUS LEADERSHIP OF RESREP
HAS DRAMATICALLY EXPANDED IMPLEMENTATION OF YEMEN
PROGRAM IN LAST YEAR. IN ORDER TO BE ABLE MOVE INTO
NEXT AND EXPANDED CYCLE SMOOTHLY, PROGRAM HAD "BORROWED"
AGAINST FUNDS EXPECTED IN COMING YEAR. THIS WAS REPORTEDLY
DONE WITH KNOWLEDGE AND INDEED PROMPTING OF UNDP DUE STATUS
YEMEN AS ONE OF RELATIVELY LESS DEVELOPED COUNTRIES.

2. UNDP PROGRAM IN YEMEN CONSISTS ALMOST ENTIRELY
OF EXPERTS (110 OF THEM AT PRESENT). WITHOUT LARGE
BUDGET FOR EQUIPMENT AND SUPPLIES, PROGRAM IS
INHERENTLY UNFLEXIBLE AND HARD TO ACCELERATE OR
DECELERATE. NEVERTHELESS RESREP HAS BEEN DIRECTED
TO CUTBACK SHARPLY IN COMING MONTH. THAT MEANS
ENDING SOME PROGRAMS NOW UNDERWAY AND TRUNCATING
OR DEFERING OTHERS WHICH ARE STILL IN PLANNING

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SANA 00637 231053Z

STAGE.

3. YARG PUTS VERY HIGH PRIORITY ON TECHNICAL ASSISTANCE OF UNDP AND WHILE GOVERNMENT HERE IS NOT RPT NOT IN POSITION TO SHARE COSTS OF PROGRAM, IT HAS MADE FORMAL AND REMARKABLE OFFER TO LOAN UNDP \$3 1/2 MILLION WITHOUT INTEREST TO AVERT DRASTIC AND SUDDEN CHANGE OF PLANS. YARG PRESIDENT HAMDI BACKS PLAN.

4. SINCE UNDP YEMEN ONLY LEARNED OF CUTBACKS AT THE END OF NOVEMBER, THEY HAVE HAD NO TIME TO PHASE SMOOTHLY INTO NEW FINANCIAL SITUATION. LOAN WOULD DEFER RETRENCHMENT UNTIL NEXT YEAR AND GIVE UNDP TIME TO PLAN FOR ADJUSTMENT.

COMMENT: BELIEVE WE COULD USEFULLY RECOMMEND TO UNDP SEEK WAY TO ACCEPT LOAN OFFER. PROGRAMS ARE IN BADLY NEEDED AREAS AND ARE MOST USEFUL TO YARG. THERE IS GOOD CHANCE THAT GIVEN TIME YARG COULD FIND OIL PRODUCING COUNTRY WILLING TO PICK UP THE SAMLL TAB ON ONE TIME BASIS. MAKES LITTLE SENSE TO SLASH PROGRAM ABRUPTLY NOW WHEN IMMINENT SECOND CYCLE ANTICVHATES MAJOR EXPANSION OF TECHNICAL ASSISTANCE TO VERY UNDER-DEVELOPED YEMEN. APPRECIATE THAT THIS IS LOCAL PROGRAM ISSUE AND "LOAN" SOLUTION OFFERS PROBLEMS, BUT WE HAVE OBVIOUSLY EXPLORED IN GREAT DETAIL WHAT MIGHT BE DONE TO EASE PRESENT UNDP FINANCIAL CRUNCH (SEE STATE 038843) AND MAY BE PREPARED TO CONTINUE THIS EFFORT IN PARTICULAR CASE WHERE \$3.5 MILLION CUT IS VERY LARGE PART OF UNDP PROGRAM.
RANSOM

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CRISIS, INTERNATIONAL ORGANIZATIONS, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SANA00637
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760066-1148
From: SANA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760223/aaaaatqz.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 SANA 338
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 14 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 MAY 2004 by ShawDG>; APPROVED <17 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UNDP PROGRAMS IN YEMEN
TAGS: EAID, YE, UN, UNDP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006